



# **CRITICAL ACCESS HOSPITALS**

**Name, Title**  
Organization



# Balanced Budget Act of 1997

The BBA had a severe financial impact on hospitals around the country. To help alleviate the impact on small, rural hospitals, the BBA created the...



# The Medicare Rural Hospital Flexibility Program

The Flex Program allows rural hospitals to receive a higher reimbursement rate and have greater flexibility from federal rules and regulations. To receive these benefits, a rural hospital can convert to a...



# Critical Access Hospital

CAHs must provide the basic services necessary to their community, maintain a low average length of stay, and network with other healthcare providers to ensure that the healthcare needs of the community are met.

# What is a Critical Access Hospital?

- ✱ Cost-based reimbursement from Medicare
- ✱ 96-hour average length of stay (calculated annually)
- ✱ 15 bed limit (plus 10 swing beds)
- ✱ Employ or contract with at least one physician
- ✱ A Physician Assistant, Nurse Practitioner, or Clinical Nurse Specialist may provide inpatient care, subject to physician oversight

# What is a Critical Access Hospital?

## ☀ Required services:

- ☀ Inpatient care
- ☀ Emergency care
- ☀ Laboratory
- ☀ Radiology

## ☀ Emergency services:

- ☀ Available 24 hours
- ☀ Staff is on-call and available within 30 minutes

# What is a Critical Access Hospital?

- ✦ Network agreement with at least one hospital to include:
  - Patient referral and transfer
  - Transportation services (emergency and non-emergency)
  - Development and use of communication system
- ✦ Agreement with network hospital or PRO for:
  - Credentialing
  - Quality assurance

# Who is Eligible to Become a CAH?

- ✱ Hospitals in 47 states
- ✱ Current hospitals (public or not-for-profit), hospitals closed or downsized to clinics before November 1989
- ✱ Location criteria:
  - ✱ Rural (defined by state), and one of the following:
    - ✱ 35+ mile drive to hospital or CAH (15 minutes in mountains or areas with secondary roads), or
    - ✱ State certified as “necessary provider”

# Critical Access Hospitals Must Address

- ✱ Networking
- ✱ Emergency Medical Services
- ✱ Quality Assurance
- ✱ Community Development

# Benefits of CAH Conversion

- ★ The primary benefit of a CAH is that it moves hospitals from the Prospective Payment System (PPS) to a Cost-Based Reimbursement system for both inpatient and outpatient services.
- ★ Since physicians do not have to take calls on site, CAH conversion can aid in recruitment and retention.

# Benefits of CAH Conversion

- ✦ Opportunity for increased market share
- ✦ Can be used to help communities
  - Identify and analyze issues
  - Set priorities
  - Address problems
  - Define appropriate services
- ✦ Can encourage local commitment and shared responsibility for organizing and sustaining delivery system.

# Benefits of CAH Conversion

- ☀ Promotes network development, which in turn can help
  - Maintain essential services in the community
  - Integrate other vulnerable services
  - Recruit and retain health professionals
  - Coordinate health planning
  - Develop integrated healthcare system
  - Attract additional sources of funding